



Ernie Fletcher
Governor

Mark David Goss
Chairman

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Gregory Coker
Commissioner

Christopher L. Lilly
Commissioner
Department of Public Protection

July 20, 2005

Mr. Vince Gabbert
Attorney-at-Law
Ross, Sinclair & Associates
P. O. Box 398
Frankfort, Kentucky 40602

RE: Case No. 2005-00291
County of Boone, Kentucky
Filing Deficiencies

Dear Mr. Gabbert:

The Commission staff has reviewed your application in the above case. This filing is rejected pursuant to 807 KAR 5:001, Section 2, for the reasons set forth below. These items are either required to be filed with the application or to be referenced in the application if they are already on file in another case.

Being as there are numerous deficiencies, the Commission is scheduling an informal conference with Boone to assist them in dealing with these deficiencies. The date and time of this informal conference will be sent under separate notice.

The filing deficiencies, pursuant to 807 KAR 5:001, are as follows:

Section 9(2)(e) The manner, in detail, in which it is proposed to finance the new construction or extension.

Section 11(1)(a) Description of applicant's property.
Statement of original cost of applicant's property and the cost to the applicant, if different.

Section 11(1)(b) If bonds or notes or other indebtedness is proposed: whether the debt is to be secured and, if so, a description of how it is secured.

Section 6(4) Mortgages: date of execution.
Mortgages: name of mortgagor
Mortgages: name of mortgagee or trustee
Mortgages: amount of indebtedness secured
Mortgages: sinking fund provisions

Section 6(5) Bonds: amount authorized.
Bonds: amount issued
Bonds: name of utility who issued
Bonds: description of each class issued
Bonds: date of issue
Bonds: date of maturity
Bonds: how secured
Bonds: interest paid in last fiscal year

Section 6(6) Notes Outstanding: date of issue
Notes Outstanding: amount
Notes Outstanding: maturity date
Notes Outstanding: rate of interest
Notes Outstanding: in whose favor
Notes Outstanding: interest paid in last fiscal year

Section 6(7) Other Indebtedness: description of each class
Other Indebtedness: how secured
Other Indebtedness: description of any assumption of indebtedness by
outside party (i.e., any transfer)
Other Indebtedness: interest paid in last fiscal year

Section 6(9) Detailed income statement and balance sheet.

Section 10(1)(b)(2) A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1).

Section 10(1)(b)(9) Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10, with copy.

Section 10(6)(a) Complete description and quantified explanation for proposed adjustments with support for changes in price or activity levels and other factors affecting the adjustment.

Section 10(6)(h) Summary of determination of revenue requirements based on return or net investment rate base, return on capitalization, interest coverage, debt-service coverage, or operating ratio with supporting schedules.

Section 10(6)(j) Current chart of accounts if more detailed than the Uniform System of Accounts.

Section 10(6)(n) Summary of latest depreciation study, with schedules, by major plant accounts except that telecommunications utilities adopting PSC's average depreciation rates shall provide schedule identifying current and test-period depreciation rates used by major plant accounts. If filed in another PSC case, refer to that case's number and style.

Section 10(6)(o) List of all commercial or in-house computer software, programs and models used to develop schedules and workpapers associated with the filing. Include each software, program or model; what each was used for; its supplier; brief description and specifications for the computer hardware and the operating system required to run the program.

Section 10(6)(p) Prospectuses of most recent stock or bond offerings.

Section 10(6)(r) Monthly managerial reports providing financial results for 12 months in test period.

Section 10(6)(t) If utility had any amounts charged or allocated to it by affiliate or general or home office, or paid any monies to affiliate or general or home office during test period or during previous 3 calendar years, file:

1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each charge allocation or payment;
2. Explanation of how allocator for the test period was determined; and
3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during test period was reasonable.

Section 10(7)(a) Detailed income statement and balance sheet reflecting impact of all proposed adjustments.

Section 10(7)(b) Most recent capital construction budget containing at least period of time as proposed for any pro forma adjustment for plant additions.

Section 10(7)(c) For each proposed pro forma adjustment reflecting plant additions the following information:

4. Amount contained in construction work in progress at end of test period.

Section 10(7)(d) Operating budget for each month of the period encompassing the pro forma adjustments.

Section 10(7)(e) Number of customers to be added to the test period - end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting workpapers.

KRS 278.180 30 days' notice of rates to Commission (no effective date means no notice given and this is acceptable).

KRS 278.300(2) Every financing application shall be made under oath, and shall be signed and filed on behalf of the utility by its president or by a vice president, auditor, comptroller or other executive office having knowledge of the matters set forth and duly designated by the utility.

July 20, 2005
Page Four

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission.

Again, you will be notified under separate cover of the day and time of the informal conference.

If you need further assistance, please contact James Rice at (502) 564-3940.

Sincerely,



Michael F. Burford
Director
Division of Filings

/bt